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RUEHMO/AMEMBASSY MOSCOW PRIORITY 1249  
RUEHUL/AMEMBASSY SEOUL PRIORITY 0355  
RUEHSH/AMCONSUL SHENYANG PRIORITY 0361  
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TAGS: [PARM](#) [KNNP](#) [PREL](#) [PGOV](#) [KN](#) [CH](#) [JA](#)  
SUBJECT: JAPAN ANNOUNCES NEW NORTH KOREAN SANCTIONS

REF: A. STATE 152914  
[1](#)B. TOKYO 5212  
[1](#)C. TOKYO 5211  
[1](#)D. STATE 149071

Classified By: Ambassador J.Thomas Schieffer. Reasons 1.4 (B) (D)

[1](#)1. (U) Summary. On September 19, the Government of Japan announced a series of new "measures," i.e. sanctions, against the DPRK (full text in para 6). Japan's new sanctions will block the property of designated entities within Japan, and prohibit Japanese firms from conducting transactions with targeted proliferators. Japan's announcement (full text in para 5):

-- Notes that Japan has designated 15 entities plus 1 individual that are recognized as being involved in activities related to DPRK missile and WMD programs;

-- Indicates that Japan will prevent financial transactions with those entities and the one individual based on Japan's Foreign Exchange and Foreign Trade Law (FOREX);

-- Recognizes the steps that the U.S. and ROK have already taken to halt the North's missile and WMD programs;

-- Encourages other countries to take measures to implement UNSCR 1695; and

-- Calls on the DPRK to suspend its missile program, re-establish the missile moratorium described in the 2002 Pyongyang Declaration, return to the 6-Party Talks, and take steps to implement the September 19, 2005 Joint Statement.  
End summary.

[1](#)2. (S) On September 19, the Japan's Chief Cabinet Secretary Shinzo Abe issued an announcement of new "measures," i.e., sanctions, against North Korea (announcement text in para 5; "measures" text in para 6.) . The measures track with similar steps outlined under U.S. Executive Order 13382. The 15 designated entities identified in Japan's new measures include the 12 entities noted in the U.S. Executive Order, plus three additional entities that the Japanese identified on their own. The three additional firms are:

-- Korea Tonghae Shipping Company (located in Pyongyang)  
-- Pyongyang Informatics Center (aka: Pyongyang Information Center)  
-- Ponghwa Hospital (aka: Bonghwa; located in Pyongyang)

Ministry of Finance contacts indicated that these three entities were the final destination of WMD-related materials illegally exported from Japan. The contacts further indicated that the exporters, all Japanese companies, currently are under investigation.)

¶3. (U) In addition to designating the 15 entities, Japan will request that financial institutions verify the identity of customers and report "suspicious transactions." Authorities will also investigate financial institutions to ensure they have mechanisms in place to check the legality of financial transactions.

¶4. (C) Japan had asked the U.S. and Australia to announce new sanctions on September 19 as well. The Australian government issued its own statement later on September 19. The Australian announcement designated 12 entities plus 1 individual, similar to the U.S. E.O. 13382 list.

¶5. (U) Text of the Japanese announcement:

Begin text

"Chief Cabinet Secretary's Announcement (On Measures to Prevent Transfer of Financial Resources in Relation to North Korea's Missile or WMD Programs)"

On July 16, the UN Security Council unanimously adopted the resolution 1695 on the launch of ballistic missiles by the DPRK. The Government of Japan, while continuing strict export control which is required by the resolution, considered other measures necessary to implement the resolution. Today, the cabinet meeting has approved "Measures to Prevent Transfer of Financial Resources in Relation to DPRK's Missile or WMD Programs." To be more specific:

- The GOJ has designated fifteen entities and one individual that are recognized as related to DPRK's missile or WMD programs,
  - The GOJ has invoked regulation based on the Foreign Exchange and Foreign Trade Law for the purpose of preventing financial transfer to these entities/individual.
- Along with such measures, the GOJ decided to take measures such as conducting special investigation on financial institutions which deal with foreign remittance for the purpose of ensuring implementation of the above measures.

International coordination is important for the implementation of the Resolution and we have been conducting close coordination with the relevant countries. We understand that the governments of the US and ROK have already taken necessary measures and that the Government of Australia plans to announce new measures. The GOJ intends to encourage other countries to take necessary measures for the implementation of the resolution.

Taking this opportunity, the GOJ strongly urges the DPRK to suspend activities related to its ballistic missile programme, re-establish its pre-existing commitments to a moratorium on missile launching, immediately return to the Six-Part Talks without precondition, and work towards the expeditious implementation of 19 September 2005 Joint Statement.

End text

¶6. (U) Text of new sanctions measures:

Begin text

"Measures to Prevent the Transfer of Financial Resources in relation to DPRK's missile or WMD programs"

The GOJ has decided to take the following measures to prevent the transfer of financial resources in relation to DPRK's missile or WMD programs, in order to implement measures

required by the UNSCR 1695.

¶1. To designate the following entities/individuals and financial flow to these entities/individuals in accordance with the Foreign Exchange and Foreign Trade Law.

- (1) Kohas AG
- (2) Korea International Chemical Joint Venture Company
- (3) Korea Kwangsong Trading Corporation
- (4) Korea Complex Equipment Import Corporation
- (5) Korea Tonghae Shipping Company
- (6) Korea Pugang Trading Corporation
- (7) Korea Mining Development Trading Company (KOMID)
- (8) Korea Ryonha Machinery Joint Venture Corporation
- (9) Korea Ryonbong General Corporation (KRGK)
- (10) Korea Ryongwang Trading Corporation
- (11) Tanchon Commercial Bank
- (12) Tosong Technology Trading Corporation
- (13) Pyongyang Informatics Centre
- (14) Hesong Trading Corporation
- (15) Ponghwa Hospital
- (16) Jakob Steiger

¶2. To request financial institutions to conduct more vigorous implementation of (i) verifying identification of customers and (ii) reporting of "suspicious transactions."

¶3. To examine intensively all financial institutions engaging in cross-border remittance business in order to ensure that they have effective internal central system for complying with the legal obligation of checking the legality of each transaction.

End text  
SCHIEFFER